



25 January 2024
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 December 2023

HIGHLIGHTS

- Achieved Lost Time Injury free for the quarter.
- Improved operation of the Intermediate Air System has enabled Furnace #4 to operate without anthracite, reducing CO₂-e emissions from the combustion of coal.
- Concentrate production increased for the quarter with 684kt produced compared to 647kt for the September quarter.
- Pellet sales slightly increased for the quarter to 648kt compared with 645kt for the September quarter.
- Increase in average received prices for the quarter to US\$159.65/t (A\$243.14/t)* (FOB Port Latta) compared with US\$137.82/t (A\$210.03/t)* for the September quarter.
- Unit cash operating cost decreased for the quarter to A\$132.59/t compared with A\$139.44/t for the September quarter due to higher concentrate production.
- Cash and liquid investments of A\$282.61 million and trade receivables of A\$57.73* million compared with cash and liquid investments of A\$261.44 million and trade payables of A\$28.46* million for the September quarter.
- Outlay of approximately A\$17.2 million has been made in the quarter on capital projects including the Furnace Line 2 Refractory Reline, 789 Truck Tray Replacements, NPUG Decline Phase 3, Caterpillar 789 Truck rebuild program and continuation of Townsite Accommodation Upgrade.

** adjusted for the costs of freight and final pricing settlements on provisional settlements as per sales agreements. Pricing is typically finalised in one to three months after shipment month.*



“The Company achieved a strong quarter to complete the year with many areas of production improving from the previous quarters” said CEO Mr. Honglin Zhao.

“As updated at the end of last year, work is currently being performed to optimise the integration and transition from the current open pit mine to an underground block cave mine with particular focus on production requirements and the optimal allocation of capital. Further updates will be made once this work is complete.

Progress on the Southdown Magnetite Project definitive feasibility study is under review as part of the Company’s wider assessment on the strategic options and capital allocation for the next phase of significant projects.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	December Quarter 2023	September Quarter 2023	June Quarter 2023
Total BCM Mined	4,233,153	3,941,474	4,486,415
Total Ore BCM*	440,246	251,655	197,703
Concentrate Produced (t)	683,514	646,734	664,901
Weight Recovery (%)	42.3	45.1	45.3
Pellets Produced (t)	616,449	535,736	664,367
Pellet Stockpile (t)	136,791	168,615	278,089
Concentrate Stockpile (t)	114,316	84,469	22,229

* Ore for down-stream production was sourced from extensive stockpiles and supplemented with ore from Centre Pit.

Achieved Lost Time Injury free for the quarter.

Ore from the main ore zone in Centre Pit has been delivered throughout the year. This has been blended with existing stockpiles to sustain production and yield high quality pellets.

The cutback on the east wall of North Pit continues with the implementation of the refined pit design. The current mining of ore in Centre Pit and waste removal in North Pit will progress further in 2024.



SHIPPING AND SALES

	December Quarter 2023	September Quarter 2023	June Quarter 2023
Iron Ore Pellet Sales (dmt)	648,273	645,210	496,176
Iron Ore Concentrate Sales (dmt)	-	-	-
Iron Ore Chip Sales (dmt)	34,132	34,568	70,307
TOTAL Iron Ore Product Sales (dmt)	682,405	679,778	566,483
Average Realised Product Price (US\$/t FOB Port Latta) *	159.65	137.82	108.12
Average Realised Exchange Rate (AUD:USD)	0.6566	0.6562	0.6732
Average Realised Product Price (A\$/t FOB Port Latta)	243.14	210.03	160.62

*adjusted for the costs of freight and final pricing settlements on provisional settlements as per sales agreements. Pricing is typically finalised in one to three months after shipment month.

The average price received during the quarter of A\$243.14/t (US\$159.65t) (FOB Port Latta), increased by 15.77% from A\$210.03/t (US\$137.82t) for the September quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 648kt increased by 0.5% from 645kt for the September quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

The Definitive Feasibility Study into underground mining in North Pit has been reviewed and is currently being finalised and integrated into the operation's life-of-mine plan. The study confirms the technical and economic viability of underground block cave mining at Savage River and improves on the detail and accuracy of the Pre-Feasibility Study completed in 2021 (see market releases dated 22 December 2023 and 23 December 2021).

Process Improvement Projects

The optimization of the Intermediate Air System continues with improvements enabling Furnace #4 to operate without the addition of anthracite. This has led to a reduction in our coal usage at Port Latta and consequently a reduction in CO₂-e emissions associated with the combustion of coal. This is an excellent result and is in accord with Grange's decarbonization plan to phase out the use of coal over the next three years as other furnaces are upgraded.



SOUTHDOWN MAGNETITE PROJECT

Progress on the Southdown Magnetite Project definitive feasibility study is under review.

All existing tenements, approvals and project assets continue to be maintained in good order.

CORPORATE

Director updates

Managing Director and Chief Executive Officer, Mr Honglin Zhao, has delayed his retirement and has continued in his current position to ensure the goals of the next phase of strategic projects including North Pit Underground and Southdown are achieved. (See market release dated 2 January 2024).

Ms Tianxiao Shen has joined the Company as a non-executive director to the Board. Ms Shen fills the vacancy as the major shareholder (Jiangsu Shagang) nominee on the Board following Ms Jia's resignation as announced on 6 September 2023. (See market release dated 21 December 2023).

Shareholders

As at 31 December 2023 there were approximately 11,139 shareholders.

-ENDS-

This announcement was authorised by the Board.

For further information, please contact: managingdirector@grangeresources.com.au



ANNEXURE

PRODUCTION

	Quarter Ended				Full Year	
	Mar 23	Jun 23	Sep 23	Dec 23	Dec 23	Dec 22
Total BCM Mined	4,868,822	4,486,415	3,941,474	4,233,153	17,529,864	15,466,534
Total Ore BCM	144,328	197,703	251,655	440,246	1,033,932	1,280,501
Concentrate Produced (t)	593,995	664,901	646,734	683,514	2,589,144	2,624,865
Weight Recovery (%)	45.1	45.3	45.1	42.3	44.4	45.2
Pellets Produced (t)	525,102	664,367	535,736	616,449	2,341,654	2,518,232
Pellet Stockpile (t)	109,898	278,089	168,615	136,791	136,791	298,725
Concentrate Stockpile (t)	59,024	22,229	84,469	114,316	114,316	45,672

SHIPPING AND SALES

	Quarter Ended				Full Year	
	Mar 23	Jun 23	Sep 23	Dec 23	Dec 23	Dec 22
Iron Ore Pellet Sales (dmt)	713,929	496,176	645,210	648,273	2,503,588	2,429,700
Iron Ore Concentrate Sales (dmt)	24	-	-	-	24	1,853
Iron Ore Chip Sales (dmt)	3	70,307	34,568	34,132	139,010	136,760
TOTAL Iron Ore Product Sales (dmt)	713,956	566,483	679,778	682,405	2,642,622	2,568,313
Average Realised Product Price (US\$/t FOB Port Latta)	156.21	108.12	137.82	159.65	142.06	141.28
Average Realised Exchange Rate (AUD:USD)	0.6853	0.6732	0.6562	0.6566	0.6675	0.6953
Average Realised Product Price (A\$/t FOB Port Latta)	227.93	160.62	210.03	243.14	212.83	203.18